General Brehon B. Somervell and the Revival of Koppers Company

by John K. Ohl

At the end of World War II, the Koppers Co. was widely considered to be the "dog" of the Pittsburgh-based Mellon family empire. Born in the early years of the century, the company was known best for manufacturing a by-product coke oven designed by Heinrich Koppers. The by-product ovens made possible recovery of valuable chemicals that previously were lost up the chimney of the old-fashioned beehive coke oven. By the 1920s, the Mellon family and a few of their intimates controlled Koppers, and under the leadership of Henry B. Rust, president from 1915 until 1933, the firm experienced spectacular growth. Rust then expanded into soft-coal mining, construction and operation of artificial gas and by-product coke plants, ownership of a steel company and blast furnaces, refining crude tar, wood preserving, manufacturing piston rings, and effective control of the Virginian Railroad and also Eastern Gas and Fuel Associates, a public-utility holding company. During World War II, the company got into still another field when it built and operated a large plant for the government at Kobuta, Pa., to manufacture styrene and butadiene for the synthetic rubber program.

While spectacular, the growth had brought problems. There were more than 150 companies in the Koppers "family," and each operated, for all practical purposes, autonomously. No "two ever pulled together," even though almost all were in one way or another related to coal. In addition, company executives seemed more interested in "making money by trading securities and dominating sources of supply and markets than by broadening the profit base at... the level of the lump of coal." Perhaps for this reason, they overlooked the organic chemical industry, a great growth business which derived many of its raw materials from the gas and tar from the coke ovens. Koppers always made money, even during the Depression, but most of its earnings and large amounts of Mellon credit were required for the never-ending task of rounding out its holdings.1

During World War II, Richard K. Mellon, the overseer of the vast Mellon empire, decided to clean up the Koppers mishmash. Spurred by poor earnings from the public utilities and the obvious need to bring order to the corporate structure, he had the company reorganized in 1944. Also, in compliance with a Securities and Exchange Commission finding that Koppers' control of Eastern Gas and Fuel violated the Public Utilities Holding Company Act, plans were developed to sell Eastern Gas and Fuel, which had the effect of taking Koppers out of the utility business and almost everything that went with it, such as the coal mining and railroad operations. Other elements were consolidated into one company centered on 14 divisions.2

The 1944 reorganization gave arising Koppers the form of corporate unification. But for it to be translated into substance, Koppers needed fresh leadership. J. P. Tierney, who had run the company since Rust's retirement and had brought it through the Depression, died in 1944, and Mellon saw no effective replacement among the existing executives. Mellon concluded that Koppers needed someone outside of the Rust past to pull it together. After a thorough search, he judged that Gen. Brehon B. Somervell, recently retired from the Army after serving as head of the Army Service Forces (ASF), had the planning, organizing, and administrative expertise to do the job. Named president of Koppers in 1946 and later chairman of the board, Somervell ran Koppers until 1955. Under his leadership, Koppers emerged as a "new" company and, at least for a time, fulfilled its promise like such Mellon giants as Aluminum Company of America and Gulf Oil Corp.

The Precedent for a Somervell

Mellon's decision to look to a retired military man for executive leadership was nothing new in American business. For years, companies had employed former professional soldiers because of their prestige, initiative, aggressiveness, managerial talents, and technical skills. After the Civil War, scores of ex-generals engaged in significant business careers; generals George McClellan and P.G.T. Beauregard, for example, became railroad presidents, while Joseph E. Johnston and Simon B. Buckner headed large regional insurance agencies. In the twentieth century, thousands of generals and admirals found employment in business. A significant percentage of these

John K. Ohl teaches history at Mesa Community College in Mesa, Ariz. A native of the Pittsburgh area who received his doctorate in American history from the University of Cincinnati, Ohl is the author of several articles and books, including Supplying the Troops: General Somervell and American Logistics in WWII (1994).
Gen. Brehon Somervell, who left the military after World War II to lead the Pittsburgh-based Koppers Co., is generally credited with restoring the company to profitability in the 1950s. This public relations photo pairs Somervell with a model of the by-product coke oven developed by Koppers' founder.
officers, particularly after 1945, established new careers in arms-contracting industries. There they have often made effective use of the technical specialization they secured while in uniform, or at least used their knowledge of how the Pentagon does business.

Many military leaders, however, have been employed by business in the post-World War II period because of reasons that have nothing to do with technical specialization or knowledge of Pentagon red tape. Rather, through their military experiences, they became first-rate managers. Since first donning their uniforms, they were developing leadership skill and ability to organize and administer. They could define objectives in direct and concise terms, and, as illustrated by their military accomplishments, get results. These attributes made them good candidates for top executives in major corporations, including many civilian business establishments. Lucius D. Clay, the ASF’s top procurement officer from 1942 to 1944 and later commanding general of American forces in occupied Germany, is an especially prominent example of this type of military-businessman. As chairman of the board and chief executive officer of Continental Can Co. from 1950 to 1962, he converted the firm, long a distant second in its industry, into the nation’s biggest packaging company through reorganization of its executive structure and diversification of its activities.

Recently, William G. Pagonis, who directed the Army’s logistical effort for Operations Desert Shield and Desert Storm, was hired by Sears, Roebuck and Co. to keep its department stores stocked and home deliveries flowing smoothly. Somervell represents the latter type of military-businessman.

Commissioned in the Corps of Engineers after his graduation from West Point in 1914, he went to France shortly after the United States entered World War I. There he built ammunition dumps, depots, and barracks, and served as a staff officer in the 89th Division in the latter phase of the Meuse-Argonne offensive. During the 1920s and 1930s, Somervell was deeply involved in the rivers and harbors work of the Corps of Engineers, and, beginning in 1936, he directed the sprawling Works Progress Administration program in New York City. During a four-year period, he transformed the program, plagued by boondoggles, internal bickering, and conflicts with city officials and labor leaders, into a model work relief program that served the community well. In 1940-41, Somervell, as chief of the Army’s Construction Division, helped prepare the nation for war by building training camps and munitions plants. Impressed by Somervell’s accomplishments and drive, War Department Chief of Staff General George C. Marshall in 1942 named him head of the ASF, a newly created command responsible for the supply and administration of the Army within the United States and the support of troops overseas. For all practical purposes, Somervell became the Army’s principal logistician.

Marked by tremendous ambition, tireless energy, and managerial brilliance, Somervell was a formidable figure who reveled in big tasks and was “enough of an S.O.B.” to get them done. Soldiers, from privates to generals, who let him down over the years were subjected to his wrath, and the wise subordinate quickly learned, as engineer John Hardin remembered, that “you were going to pay a heavy penalty if you didn’t give him what he wanted.” Somervell, he added, would “chop people’s heads off without giving them any explanation at all.”

Through force of personality, shrewd accumulation of power, and sheer ability, Somervell carved out a dominant role for himself in the procurement, supply, and movement of materiel forces during World War II. Speaking years later, Marshall left no doubt about the value of Somervell’s work. “He was one of the most efficient officers I have ever seen,” Marshall stated. “He got things done in Calcutta as fast as he did in the meadows around the Pentagon…If I went into control in another war, I would start looking for another General Somervell the very first thing I did.”

**Military Training for Business**

In assessing the value of his military training for his later business career, Somervell’s most important wartime experiences dealt with reform of the War Department supply organization. On the eve of World War II, the department supply organization consisted of a series of semiautonomous bureaus responsible for ordnance supplies, quartermaster supplies, and the like; each operated separate systems for purchase, finance, storage, and distribution. There was no direct command authority over the
Gen. George C. Marshall, left, and Somervell at the Quebec Conference, September 1944.
bureaus and no machinery for close coordination of the entire logistics level below the secretary of war himself. Delays on vital decisions and confusion in carrying out War Department plans resulted. In early 1942, Marshall reorganized the department to substitute the vertical pattern of military command for the established pattern of bureaucratic coordination. Under the Marshall reorganization, the supply and administrative services were grouped into the ASF, which made the supply bureaus part of a unified command.

A participant in the Marshall reorganization, Somervell was a strong believer in the necessity for a unified logistics command. Once given the command of the ASF, he set out to bring greater efficiency to military supply. Through a variety of prewar assignments, he had already devised a managerial system so he could know what his organization was doing and act quickly to correct deficiencies. It included a control division, operating out of his own office, to check results and to plan and implement organizational changes, a program for action projected as far into the future as possible, extensive use of statistics, a determination to cut red tape, strict accountability for subordinates, and an unrelenting drive for efficiency on the part of every member of his team. With little regard for the sensibilities of the bureaus, Somervell tried to impose his control over the bureaus, and eventually he attempted to eliminate the traditional bureau system by creating a new logistics edifice based on complete unity of command and functional lines of operation. Only in this way, he later told a War Department board looking into the Army’s wartime organizational problems, could he eliminate the overlapping functions and large operating staffs inherent in the traditional system, which he felt bred inefficiency.7

In the minds of many observers and his superiors, Somervell brought greater effectiveness to War Department supply operations. But in the process, he encountered strong resistance from the bureau chiefs, who saw him as an unabashed empire-builder and were determined to protect their turfs. For example, they regarded the organizational experts from his control division as meddlesome busybodies who lacked practical knowledge of the real problems and steadfastly opposed many of the changes in organization and procedures they advocated. Chief of Ordnance Maj. Gen. Levin H. Campbell later recalled: “Somervell had a large number of what we used to call parachute jumpers who had nothing in the world to do except criticize. While most of them had little or no experience or less ability, I will concede that they did a top-notch job of criticizing... Frankly, knowing of the background of many...[ASF] men, none of their criticism could be taken seriously, and I recall at the time we certainly did not.”8

Ultimately, the bureaus defeated Somervell’s efforts to bring permanent centralized control over them, and in 1946 the ASF was abolished and the bureau chiefs were vested with effective control over the Army’s supply activities. Reflecting on this development and the controversial character of Somervell’s leadership of the ASF, Marshall told an interviewer that “all the [postwar] reorganization as far as supply and the services were concerned was built on avoiding any future development of a man like General Somervell.”9

Somervell’s wartime efforts brought him many accolades and rapid promotion from lieutenant colonel to four-star general. But, by the time the war ended in the summer of 1945, he had decided to leave the Army as soon as possible. Somervell never formally stated his reasons for retiring from the Army; however, it would appear that several factors influenced his decision. Examining his prospects in the postwar Army, it seems apparent that Somervell found little that was appealing. He had no desire to continue in his present assignment, for his enemies in the Army and in Congress were already sharpening their knives to cut his command and organization into pieces. Any other assignment would in effect be a demotion, be unbearable routine, and probably place him under officers who had held assignments during the war of lesser importance than his. Somervell was also anxious to try something else and, at the same time, to improve his personal finances. Both considerations prompted him to look at private business.10

The Move to Koppers

His retirement set for April 30, 1946, Somervell began a 120-day terminal leave at the end of December 1945 and immediately took up residence at Ocala, Fla., where he sifted through a number of business opportunities. The most intriguing was an offer from Koppers. Only days after Somervell had arrived in Florida, Frank R. Denton, vice president and chief executive of Mellon National Bank and Trust Co., had visited him at Richard Mellon’s behest to discuss the presidency of Koppers.

Denton, who had served under Somervell in the ASF as deputy director of the production division, and Mellon, another ASF alumnus, believed that Somervell was a “scorcher” as a manager and just the man to tackle Koppers’ particular difficulties. Denton brought with him a 147-page prospectus outlining the direction they wanted the company to take, and after reviewing it thoroughly and traveling to Pittsburgh to discuss the position personally with Mellon, Somervell in March 1946 accepted the offer to become the company’s president at an annual salary of $75,000.11

Koppers had only 14,000 employees and approximately 60 facilities, so running it, Somervell reasoned, could hardly be any more difficult than supplying an army fighting a global war. To his way of thinking, the Army and business were very much alike except that the test in business was more immediate, namely how much money the company made the last year. Somervell was also certain that he would succeed because his Army experience had exposed him to many business and financial problems. Moreover, as Denton and Mellon made clear, Koppers needed centralized direction above all else, and Somervell was confident that the control system he had developed and implemented in the Army would bring order out of the chaos at Koppers. Finally, Mellon had promised Somervell practically a free hand.

Somervell took over at Koppers on May 1, 1946, and spent the next two months sizing up the company’s operations and touring its scattered plants and district offices.12 Despite the 1944 restructuring pushed through after J.P. Tierney’s death, little had changed. The operating divisions, as Fletcher Byrom, a future president and chairman of Koppers, remembered, were functioning as "feudal kingdoms" in the same manner as they had when
they were separate operating companies. Each had its own sales office, production department, and research facility (if any), and they were only loosely tied together by central staff departments such as accounting and law. Douglas Grymes, then sales manager for the wood preserving division, recalled that there was no “across the board” company policy, and vice presidents often did not talk to each other. Even within a division, there was no unity, and thus several sales offices would sometimes submit bids to provide materials for the same contract. At the company’s headquarters in Pittsburgh, the president’s office had so little staff that Somervell “had to do his own figuring with his own pencil.”13

In July 1946, Somervell moved to change all that. Building on the start already taken in 1944, he proposed that Koppers be restructured around eight operating divisions and eight staff departments. He also drew up a statement of objectives along with a program for accomplishing them. Led by Stanley Brown, head of the finance department and one who had aspired to the presidency of the company, several members of the board of directors opposed Somervell’s initiatives on the grounds that he wanted to make too many changes too quickly. But Somervell had anticipated this opposition and had prepared for it by having Mellon, who was not present at the July 29, 1946, board meeting when the initiatives were discussed, provide him with a letter of endorsement. After Somervell read Mellon’s letter, the board granted its approval and there was no longer any doubt that Somervell was in charge.14

The most notable aspect of the Somervell organization was the creation of the control section in his office to perform the same function that the control division of the ASF had performed for him. It would be his eyes and ears, furthering the unity and centralized control that Somervell believed was essential to the company’s long-term success. To head the control section, Somervell chose George M. Walker, a civil engineer who had worked with the construction division, the gas and coke division, and the finance department, as well as at Kobuta. Walker recalled that he had only the “vaguest idea” of what Somervell had in mind when the two first talked about the job in a telephone conversation. At their initial meeting, Somervell gave Walker a copy of a progress report from the ASF to study and asked him to map out a “pictorial idea” of what he thought Somervell expected. By the end of the meeting, Somervell was sold on Walker, and he gave him an office next to his own. Walker picked four men to help him, and together they made up the control section.15

Walker’s first assignment was to develop and implement a reporting mechanism so that Somervell could have continual supervision of the company’s entire organization.16 Modeling it after Somervell’s wartime system, Walker had the reporting system operating within months, and by 1948, it was completely in place. Somervell would state the overall direction for the company, and the control section negotiated an annual program for each division against which monthly, quarterly, and yearly progress were measured. The program spelled out, among other things, targets for sales and profits, inventory forecasts, and raw material and capital requirements. The staff departments also drew up programs covering their projected activities and expenses. These forecasts, taken together, constituted the Koppers corporate program.

Its development involved considerable tug and pull between Walker and the division heads. Somervell insisted on demanding goals, while the division heads were wary of specific goals, especially profits, against which their performance could be measured. Somervell later remarked about the “innate conservatism of the average businessman;” he will “hit his sales estimates...within 10 percent but on profits the tendency is for a man to discount his own estimates by anything from 10 to 25 percent, depending on his nature. After all, nobody likes to be asked why he didn’t make his goal.”17 Somervell would indicate to Walker what he considered realistic figures based on historical results, forecasts of the general trend of business, and other factors. Walker then negotiated a program with a division head, and Somervell reviewed it. Few programs were renegotiated.

A Command Performance

The monthly progress report was the measuring stick for the program. About the 4th of each month, the divisions and departments started sending detailed reports on sales, profits, investments, inventories, unfilled orders, and other matters for the previous month to the control section. Control looked particularly at where a division had fallen short of its goals, or had greatly exceeded them, and then, determined the reasons for the performance. It put all pertinent information into a 100- to 150-page report replete with tables, graphs, and charts. The core of the report was the detailed data for every division and, within each division, for every plant and product for the month and the year to date. Goal figures for comparison and each manager’s thoughts on the outlook for the future were also included. On the third Thursday of the month, the report was sent to Somervell and about 130 company executives. Over the next several days, Somervell studied it thoroughly, generously dotting his copy with questions written in red ink based on a briefing given him by Walker.

On the following Tuesday, the company’s operating committee — Somervell and the division and department heads — met. Meetings began early, and could last well into the evening. At all times Somervell was in charge. He went over the report in great detail, praising good results and asking how? what? and why? on below par performances. Somervell, Douglas Grymes recalled, could “make you squirm by looking right through you,” and was ready “to rip you up one side and down the other” if displeased.18 But by the end of the meeting, Somervell had “an accurate, complete, up-to-date picture” of practically every company activity, while every manager had been compelled to “face up squarely to every detail” in his operations and every problem he confronted.

Somervell gave the control section other jobs as well. Shortly after the section was created, Somervell told Walker to prepare an organizational manual. Koppers never had a manual, and Somervell believed that clean-cut lines of authority and areas of responsi-
bility like he had known in the military were essential. Walker completed the manual by the end of 1946 and revised it in 1949. It spelled out job descriptions for every manager in the company and limits of authority and responsibility. Walker's control section also drew up a procedural manual detailing how transactions should be handled, developed standard forms for the company, carried out special projects for Somervell, and kept constant watch over the company's activities to foresee organizational needs and bring them to Somervell's attention.

Fletcher Byrom stated that Koppers' managers greeted the control section with skepticism, anxiety, and resentment. They complained that Walker wanted too much information that took too much time to prepare, and that control section employees tried to tell them what to do; certainly many did not like the section because "it had the facts by which performance could be judged." Gradually, Koppers' managers adapted to Somervell's notion of control. In his 17 years with Koppers, Walker had come to know many of the managers, making it easier to sell the system to them than if he had been an outsider. Moreover, the managers realized that they had no choice. Walker had the backing of Somervell in everything he did, and Somervell had the backing of Mellon. Finally, it soon became apparent that the control section had achieved its purpose. What previously had been separate operations were now being coordinated to provide a solid foundation for directed growth and improved profit performance. The company, as Walter McCutcheon, a company official, later commented, was becoming more "alert" and capable of things it had not previously done.

The introduction of his management methods was the most important change that Somervell brought to Koppers in his first years, but his presence was soon felt in other areas as well. When his appointment as president was announced, there was "considerable clucking around Koppers and Pittsburgh." Before Somervell, as Douglas Grymes remembered, Koppers' management had pretty much been "an old boys club." But Somervell was the first outsider to lead the company, and a hard-driving general to boot. George Walker recalled that "everybody was scared to death," fearing that Somervell would clean house or at least "lop off a few heads" just to show he was the boss. Yet Somervell knew, at least initially, that he largely had to make do with the people at hand.

Nevertheless, Somervell placed his stamp on the top rungs of management early by bringing in new blood, often recruiting former ASF people for key posts. The most important was Fred C. Foy. In 1948, Koppers, which had always been primarily an engineering and construction group and not particularly sales-oriented, was looking for a new head of the sales department, and Walker told Somervell that the company had no suitable person for the post. Somervell hired Foy, an advertising man before the war who had gone to Washington in 1942 and eventually had headed Somervell's purchase division. In 1948, he joined Koppers as sales director and immediately developed a more aggressive sales policy. Two years later, after Foy successfully coordinated the work of the company's divisional sales staffs, Somervell named him head of the tar products division, to give him operating experience while grooming him as his successor.
In addition to changes in personnel, Somervell instituted a plan for key individuals that provided substantial salary increments for those whose divisions earned more money than “what might reasonably be expected under existing market conditions.” Later, Somervell added stock options and “phantom stock” (an executive was assigned stock, but not ownership of it, and received dividends and the increased value of the stock when he retired) to round out the plan. Somervell also did not lose sight of the importance of getting the most from the company’s hundreds of salaried employees. It had not been uncommon for an employee in one division to earn considerably more than one in another division with comparable responsibilities. Somervell was convinced that such inequities hindered performance by sapping morale. Thus, he had every salaried position in the company evaluated to determine an appropriate classification and then implemented a company-wide pay program based on a specified salary range for each classification. Salaries became based on a rational plan and not the whim of a superior.23

Other changes were no less significant. Consolidated sales offices were set up in a number of cities, and an annual sales meeting was instituted so that Somervell could inspire the troops “on the battlefront” and have them work in step. The first was held in Pittsburgh on January 23, 1947, and in his customary manner Somervell challenged the salesmen and sales managers to “know your Company and its products” and to do “a record-breaking sales job in the year ahead.” In his words: “Our sales program for 1947 calls for a 50 percent over-all increase above the 1946 figures… [and we] are confident that you can not only better the figures we have set. We must reach them, and unless you have less ability than I credit you with, you will exceed some of them by wide margins.”24

Early in his tenure at Koppers, Somervell determined that he wanted no properties sitting idle. If a division had no specific plans for an idle property, he ordered it sold. His gaze also fell on the company’s Pittsburgh headquarters. Completed in 1929, and one of the largest and most modern office buildings in the city, the 33-story Koppers Building was yielding the company only a 2 percent profit. Somervell, therefore, sold the building in early 1948 to the Equitable Life Assurance Society for $6 million and then took back the Koppers office space through a 30-year lease. This action was fairly innovative for the time and gave Koppers a profit of $2,260,913.25

Somervell also stepped up Koppers’ commitment to research. Previously, research had been carried on through the Mellon Institute of Industrial Research in Pittsburgh, fellowships at several universities, and laboratories in certain plants. But Somervell considered these efforts insufficient. Moreover, he was convinced that the existing organization was not moving fast enough, even though he had greatly increased the funds earmarked for research. At one point, according to a story that Fletcher Byrom said made the rounds at Koppers, he even got down on the floor and begged the head of the research department for greater speed.

Ultimately, Somervell favored a two-tiered effort consisting of long-term research carried on by a central research department and application research carried on by the divisions. Toward this end, he set up a central research laboratory at Verona, Pa., in 1952. In addition, in 1949 he named G. Frank D’Alelio, a chemist with impressive credentials as an authority on plastics, head of the research department. Somervell’s emphasis on research did not produce the results he had anticipated, however, largely because of conflicts between D’Alelio and the divisions and the failure of D’Alelio to provide effective direction. Somervell was not usually one to tolerate this level of performance. But D’Alelio had been his choice, and he stood by him.26

Not surprisingly, considering his wartime role, Somervell early on readied Koppers in case of another war. To avoid delays in mobilization experienced in the early days of World War II, he had a company mobilization plan prepared. Under it, the complete production capacity of each Koppers plant was inventoried, estimates were made of the raw materials required for maximum production, and a survey was conducted to determine if there were additional products that the company could manufacture in a national emergency. On the basis of these findings, company planners drew up a list of plant allocations, tentative production schedules, and additional equipment that might be needed for war output and thereafter reviewed the findings annually. Koppers was one of the first large corporations to draw up a complete mobilization plan, and in speeches and articles, Somervell urged other companies to emulate Koppers.27

As the operating chief, Somervell pushed an aggressive program of diversification and expansion. He particularly emphasized the chemical operations, regarding them as his “pet project.” During the war, the company’s success in producing butadiene and styrene at Kobuta had convinced company officials that Koppers could have “a good future” in organics after the war. By the time Somervell joined the company, the decision had been made to move into chemicals on a large scale and Walker had already negotiated the purchase of the styrene side of the plant from the War Assets Administration, as well as the lease of other portions of the plant. Later, Koppers bought the butadiene side as well and acquired facilities to produce chemicals used in the manufacture of resins, adhesives, and pharmaceuticals; chemicals used in the rubber industry and in lubricating oils, synthetic resins, and disinfectants; hydrogen cyanide and sulfuric acid; ethylbenzene; and polythene. These operations were the core of the newly formed chemical division.28

Over the next few years, Somervell plowed much of the company’s capital funds into the chemical operations. Initially, the division was not profitable, but within five years, through aggressive marketing and the development of an expanding product line, it was second among the company’s divisions in net profits. Koppers produced nearly 20 percent of the nation’s styrene and 15 percent of the polystyrene, an important ingredient in plastics, and it was the nation’s leading producer of resorcinol. Somervell was careful, however, not to bite off more than the company could handle. As a result, he passed up a lot of products like phenol plastics “in which the weight of volume or of competition” had beaten down the profit margin. While never a chemical company
on the scale of Dow, DuPont, or Monsanto, Koppers under Somervell carved out a profitable niche for itself and became “a tidy little chemical company.”

The success of other divisions was mixed. The wood preserving division had always emphasized the sale of treated railway ties and utility poles. However, Somervell pushed it to go after the agricultural and industrial market for wood products such as fence posts, and throughout his tenure at Koppers the division held “a steady course” in sales and profits. The gas and coke, metal products, and tar products divisions, meanwhile, accounted for considerable sales volume, but were unspectacular in profits. Finally, the engineering and construction division, the direct descendant of the original coke oven business of Koppers and the most mercurial division because of its dependence on industrial construction and heavy industry activity, emerged as the company leader in sales and profits. By acquiring in 1949 Freyn Engineering Corp. and Open Hearth Combustion Co., leaders in the design and engineering of blast furnaces, open hearth furnaces, and their auxiliaries, Koppers engineered and built whole steel mills instead of just coke ovens. The division also built plants for the production of chemicals and gas utilities and other industrial structures.

Somervell closely followed developments with the divisions, not only through the progress reports but also through frequent visits to company facilities. Already well-briefed about a facility’s function by the control section, he would arrive exactly on time. Meticulously dressed and all-business, Somervell, Walter McCutch-eon remembered, always made “a hell of an impression.” He would be armed with specific questions, see everything, and never wander off the subject. If employees were not telling him something he wanted to know, he was telling them something he wanted them to know.

On several occasions, Somervell went abroad to look into the company’s foreign operations, traveling to Britain, France, and Turkey in the spring of 1950 and to Chile that fall for opening ceremonies at a steel plant that Koppers built. In general, however, Somervell was skeptical about overseas ventures, expressing concern to a friend about “the difficult national and racial relationships which we have to maintain, and also with the difficulty of handling Americans so far away from home.”

A Koppers Comeback

By the early 1950s, Koppers was a “new” company. As Mellon had anticipated, Somervell had brought order out of chaos. What had been a host of different operations emerged as a company working toward a common goal. Clear-cut lines of authority and responsibility had been established, and a definite program of growth had been instituted, with a comprehensive system for checking progress toward objectives. According to Burton Hersh, a student of the Mellon family, Mellon never attended a stockholders’ meeting of one of his companies unless he was dissatisfied with the management. After 1946, he had no need to attend a stockholders’ meeting at Koppers during the remaining years of the Somervell era. Recognizing Somervell’s accomplish-

ment, Mellon had him named chairman of the board in March 1950.
as well as president and raised his annual salary to $125,000. Somervell remained in these positions until his death in February 1955.  

Koppers’ fortunes from the late 1950s through the late 1980s are beyond the scope of this article, but a brief overview will put Somervell’s accomplishments in perspective. By 1960, a downturn in construction associated with the steel industry, a business which had accounted for about half of the company’s sales, had reduced profits dramatically. Profits also ebbed out of chemical and plastics due to a series of price wars. As a result, Fred Foy, made chairman of the board in 1957, and Fletcher Byrom, president beginning in 1960, closed marginal plants, slashed employment, and abandoned several products. Identifying and building on the company’s strengths was emphasized. In 1964, Koppers began a prolonged upturn as a “leaner, tougher company.”

Foy and Byrom moved away from Somervell’s style of management. The company’s needs after Somervell’s death were different than a decade earlier. Foy and Byrom emphasized people where Somervell had emphasized organization. More outgoing and personable than Somervell, Foy threw out many of Somervell’s strict “military” policies. Byrom replaced Foy as chief operating officer in 1967, and while ready to admit that Somervell’s “hard and fast rules” might once have been necessary, he was convinced that over the years they had undermined the initiative and imagination essential to successful business leadership. Thus, Byrom transformed management at Koppers into the antithesis of what it had been under Somervell. Byrom encouraged subordinates “to take on as much responsibility” as they thought they could handle. They, in turn, were encouraged to delegate authority to their subordinates, and on down the line. Somervell’s control section disappeared, and about all that remained from Somervell’s era was the reporting and programming system, which Byrom used in a more “informal fashion” instead of for direct control. Koppers grew fast in the 1970s under Byrom, recovered from a nosedive a decade later under a new chairman, Charles Pullin, but then became the target of a hostile takeover in 1987. British homebuilder Brian C. Beazer acquired control of Koppers in June 1988, sold many divisions, and reorganized what was left under a new name. After decades of fluctuating fortunes, Koppers ceased to exist.  

A review of Somervell’s nine-year tenure, from 1946 to 1955, finds that Koppers’ sales and profits rose dramatically. From $112 million in 1946, sales climbed to $285 million by 1951, and profits climbed from $3 million to $10 million. Book value per share of common stock, $26 in 1946, was nearly $50 in 1951. After 1951, sales and profits leveled off somewhat, and in 1954, they sagged considerably, largely because of a drop in defense orders following the end of the Korean War and a decline in orders for steel plants that accompanied reduced operations in the steel industry. Part of Koppers’ surge could be attributed to the favorable economic climate of the post-1945 boom, and Koppers had always had good people working for it. But equally important were the greater efficiency and the controlled expansion that Somervell brought to the company. Exercising fingertip control through his own mix of managerial practices, Somervell integrated the autonomous operating divisions and brought them under central direction through functional staff departments, of which the most important was the control section in his own office. Along with the move into chemicals, Somervell’s reorganization of the management setup and tight administrative line on the divisions converted Koppers into a strong money-maker. Under Somervell, Koppers experienced a remarkable “comeback.”

Somervell proved to be the right man for Koppers at that particular time. In the late 1940s and early 1950s Koppers, as George Walker stated, needed someone who could make a company out of its sprawling entities. Somervell’s highly centralized, top-down management style fit the need. He made the divisions into a whole and made the company more efficient. In the words of Fletcher Byrom, Somervell served Koppers well by creating the “organizational foundation for growth.”

Notes


4 For a detailed examination of Somervell’s military career, see John Kennedy Oih, Supplying the Troops: General Somervell and American Logistics in WWII (DeKalb, Ill., 1994).

5 Interview with John Hardin, Engineers Historical File, U.S. Army Corps of Engineers Historical Office, Fort Belvoir, Va.


7 Reorganization of the War Department: Interview with General Brethon B. Somervell, Commanding General, ASF, Patch Board Files, U.S. Army Center of Military History, Washington, D.C.


9 Bland, George C. Marshall, 626.

10 Interview with Mr. and Mrs. E. Macdonald Matter, Dec. 28, 1987, Pittsburgh.

11 New York Times, Mar. 18, 1946; interview with Mr. and Mrs. E. Macdonald Matter, Aug. 15, 1988, Pittsburgh; Minutes of Board of Directors Meeting of Koppers Co., Inc., March 25, 1946, Beater East Inc. Records, Pittsburgh (hereafter, such documents referred to as “board minutes”); Pittsburgh Post-Gazette, Mar. 26, 1946.


17 Quoted in "Comeback of Koppers," 137.
20 Interview with Walter McCutcheon, Aug. 9, 1988, Pittsburgh, Pa.
33 Hersh, The Mellon Family, 383; board minutes, Mar. 27, 1950; Foy, Ovens, Chemicals and Men, 31-2.

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